

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2007

S

1

SENATE BILL 1517

Short Title: Prohibit Gift Card Maintenance Fees. (Public)

Sponsors: Senators Atwater; Albertson, Berger of Franklin, Bingham, Boseman, Dorsett, East, Foriest, Goodall, Graham, Hagan, Hartsell, Jacumin, Jenkins, Jones, Kerr, Kinnaird, Queen, Rand, Shaw, Snow, Swindell, and Tillman.

Referred to: Commerce, Small Business and Entrepreneurship.

March 28, 2007

A BILL TO BE ENTITLED

AN ACT TO PROHIBIT ISSUERS OF GIFT CARDS FROM CHARGING MAINTENANCE FEES.

The General Assembly of North Carolina enacts:

SECTION 1. Article 1 of Chapter 75 of the General Statutes is amended by adding a new section to read:

"§ 75-40. Prohibit maintenance fees for gift cards.

(a) No person, firm, or corporation engaged in commerce shall charge a maintenance fee on a gift card.

(b) Any violation of this section shall be punishable by the imposition of a civil penalty of one thousand dollars (\$1,000) for each violation. A violation of this section is an unfair trade practice under G.S. 75-1.1.

(c) Definitions. – As used in this section, the following definitions apply:

(1) 'Gift card' means a record evidencing a promise, made for monetary consideration, by a seller or issuer that goods or services will be provided to the owner of the record to the value shown in the record. A 'gift card' includes, but is not limited to, a record that contains a microprocessor chip, magnetic strip, or other storage medium that is pre-funded and for which the value is adjusted upon each use, a gift certificate, a stored-value card or certificate, a store card, or a prepaid long-distance telephone service that is activated by a prepaid card that required dialing an access number or an access code in addition to dialing the phone number to which the user of the prepaid card seeks to connect.

1 (2) 'Maintenance fee' means any fee that the owner of the gift card is
2 subject to when the gift card is redeemed, including a service or
3 inactivity fee.'

4 **SECTION 2.** This act becomes effective October 1, 2007, and applies to gift
5 cards as defined in G.S. 75-40, as enacted by Section 1 of this act, that are sold on or
6 after that date.